

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHERN)	
WATER AND SEWER DISTRICT FOR AN)	CASE NO.
ALTERNATIVE RATE ADJUSTMENT PURSUANT)	2024-00251
TO 807 KAR 5:076)	

ORDER

On September 25, 2024,¹ Southern Water and Sewer District (Southern District) tendered an application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. In its application, Southern District used the calendar year ended December 31, 2022, as a basis for the application. Southern District filed its 2023 Annual Report with the Commission on June 10, 2024.² No motion was filed requesting a deviation to 807 KAR 5:076, Section 9. By letter dated September 27, 2024, Southern District was notified of filing deficiencies in its application, four of which were due to the use of the incorrect test year.³

LEGAL STANDARD

Commission regulation 807 KAR 5:076, Section 9 states that, “[t]he reasonableness of the proposed rates shall be determined using a twelve (12) month

¹ Southern District's application was not deemed filed on September 25, 2024, due to other deficiencies noted in the letter dated September 27, 2024.

² *Annual Report of Southern Water and Sewer District to the Public Service Commission for the Year Ending December 31, 2023* (2023 Annual Report).

³ September 27, 2024 Letter, Items 1-4.

historical test period, adjusted for known and measurable changes, that coincides with the reporting period of the applicant's annual report for the immediate past year.”

Commission regulation 807 KAR 5:076, Section 17 provides the Commission with the authority to permit deviations from the regulations in 807 KAR 5:076 upon a showing of good cause. It further states that requests for deviation shall be submitted in writing by letter to the Commission.

DISCUSSION

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Southern District's application should be rejected for failing to meet the requirements of 807 KAR 5:076, Section 9. The Commission can permit deviations under 807 KAR 5:076 upon a showing of good cause. However, Southern District has filed its 2023 Annual Report, did not request a deviation, and failed to provide any reason for why it used a 2022 test year in its application.

Therefore, the Commission finds that Southern District failed to establish good cause to grant a deviation. Southern District should use its best efforts to file an amended application as soon as possible. The Commission also finds that, because Southern District used the incorrect test year, it should file an amended application using the 2023 test year as required by 807 KAR 5:076, Section 9. Additionally, if utilization of the correct test year changes the requested rates reflected in the previous notice, Southern District should reissue customer notice in accordance with 807 KAR 5:076, Section 5 with the updated proposed rates.


Because this application has not yet satisfied the legal filing requirements, the Commission finds that this application has not been deemed filed, and the statutory period

to process this case set forth in 807 KAR 5:076 has not been established. The Commission also notes that Southern District had additional deficiencies as stated in the September 27, 2024 letter, and that all deficiencies must be cured before the application can be deemed filed and the statutory deadlines begin.

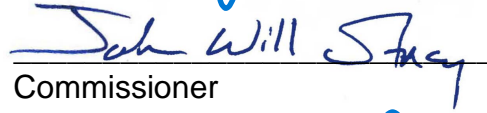
IT IS THEREFORE ORDERED that:

1. Southern District's application is rejected as filed.
2. Southern District shall file an amended application using the historical test year of 2023, with known and measurable adjustments, that coincides with the most recent annual report, in compliance with 807 KAR 5:076, Section 9 as soon as possible.
3. Southern District shall reissue customer notice in accordance with 807 KAR 5:076, Section 5, if utilization of the correct test year changes the requested rates reflected in the previous notice.
4. If customer notice has to be reissued, Southern District shall file proof of publication of the customer notice within 45 days of the filing of the amended application.
5. Southern District's amended application shall comport with all applicable filing requirements and cure all deficiencies specified in the September 27, 2024 letter prior to the amended application being deemed filed.

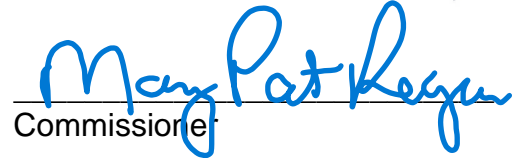
PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ENTERED
OCT 11 2024
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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



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